

[INTERVIEW]

TREAT YOUR CADDIE WELL AND YOU'RE SURE TO HAVE A GOOD GAME

How One Operator Is Proving That By Taking Care of Employees, They Are Taking Care of Business

It almost 9:00am and as I await my interviewee, I look out at the Connecticut landscape. It is one of those perfect New England fall days that everyone talks about. Past my left shoulder appears the most stereotypical Boston prepster, complete with Burberry suit, yellow tie, and rimmed glasses. He slides into the booth across from me and with a big loud thunder greets me with a, "Hi! How Ab Ya?" My immediate thought? Is this guy really from the commonwealth of Massachusetts?

By Jon LeSage

PHOTOGRAPHY: JOHN KENNARD

Indeed. Dawson Rutter, president of Commonwealth Worldwide Chauffeured Transportation is a New Yorker. He grew up in a middle class family in the Westchester suburbs. Son of an ad salesman for McGraw-Hill Publishing, Dawson's youth was fairly unremarkable — with the exception that he had a serious aversion to scholastics and a penchant for the finer things in life like wearing long hair, partying, ski bumming, and playing golf. Yet today, Dawson who was ranked by LCT as one of the fastest growing companies in 2006, currently operates a 185-vehicle fleet in Boston and New York. How he morphed from slacker to corporate leader is, in his own words, a total fluke.

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JON: Okay, let me follow this. You say you bounced around from job to job, toured the country with your buddies, crashed on couches and tried to go to college but after three different attempts at three universities, you gave up on that. Then what? All of a sudden you go from "free spirit" to "workaholic"? I mean, what was your wake up call?

DAWSON: I like to think of myself as a late bloomer (laughs). Much to my dad's disappointment, I was just not cut out for school but that didn't mean I didn't have a good work ethic. I did. I have always been disciplined when it comes to making money. I know how to work hard and I am a very conservative spender.



[INTERVIEW]

My family and I live in a pretty average sized home in the country and I neither own a boat or a second home mortgage. My one indulgence is my golf club membership and of last year, wine collecting, and that's it.

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JON: *You seem like a smart guy, so why did you fail at mastering academics?*

DAWSON: I was always a drifter in school. Just enough to get through — that was my attitude. My dad was a bad alcoholic, so our household was a bit crazy and unstable growing up. Then he died at a very young age and that had a profound impact on me. You know the old saying that chaos breeds chaos? I think that I was in a state of emotional turmoil during my teens and just lacked the ability to stay focused, so school was not something I could handle at that point. After I left home, it took several years for me to settle down and find a rhythm to my life, and by then I had discovered the art of making money, that's all.

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JON: *So when did you start driving a cab?*

DAWSON: After I dropped out of Boston University, I became a cabbie. That was a tough job but it also helped prepare me for what was ahead. Cab drivers are like bartenders. You learn a lot about people. Also the hours are a bear — but you realize quickly that if you aren't behind the wheel hustling all the time, you will starve. Unlike many desk jobs in white-collar America, a cabbie's wages are directly proportionate to how long and how hard they work at it. But having endured seven attempted robberies in my cab and too many dealings with rude passengers and drunks, when the opportunity came along to get out, I jumped at the chance and be-



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came a chauffeur for one of the largest limousine companies of that day.

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JON: *Then what?*

DAWSON: The owner was a nightmare. She was everything I never want to be — she was a micromanager, she was verbally abusive to her staff. She lied to her people and tried to cheat us out of paying us what she owed us. Just everything was wrong. She was totally devoid of ethics. Sadly, there are a lot of operators still in this business that operate with this type of mentality and to me that is just wrong. After nine months of working for her, I decided to look around. I didn't find any better working conditions at the other limousine companies, so I decided to start my own.

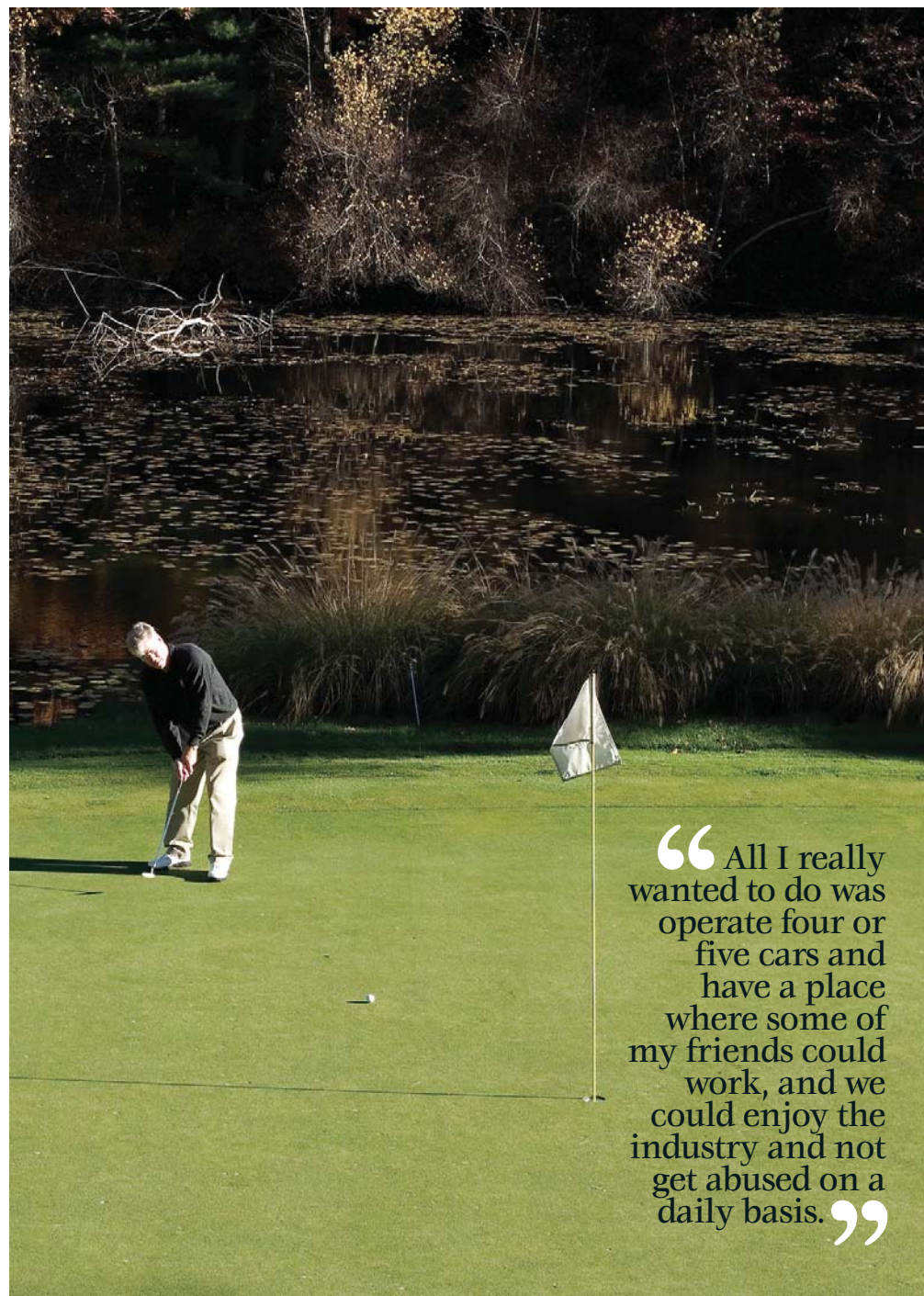
All I could think about was how I was going to run things differently. I just wanted to go to work and

have a pleasant experience. As my business has grown, one thing I try to always do is treat my people humanely, because still to this day, I have total recall of the horrific experiences I endured at the hands of a boss from hell. On the other hand, old cab habits die-hard, and one thing I have struggled with is my temper. I am a loud, boisterous New Yorker. That is my birthright. Add a decade of being a cab driver where screaming at traffic lights is the norm, let's just say I tend to shoot first and ask questions later. I am working on that though! I have a few mentors and some employees that are good at constructively criticizing me. It's an important aspect of leadership — to be able to check your ego at the door and say, "Hey, I'm not perfect. Tell me what I can do better."

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JON: *Back to your limo business. So now you've got one used limousine. Most operators fail within their first year in the business. What sustained you?*

DAWSON: You know what it was, Jon? In 1982, I picked up the new senior editor of Boston Magazine, John Brady, who was visiting from Cincinnati with his wife. He wanted to sell her on moving to Boston so he asked me to take him to all the great points of interest. I spent the entire day with them and was their tour guide, chatting them up about all that Boston had to offer. Afterwards, I received this great thank you letter. Six months later, while working my cab job (I moonlighted for the first year I was an operator to make ends meet), I was dispatched to #34 Warren Avenue for a pick up for "Brady" and out walks John Brady from Boston Magazine. He jumps in the cab and I re-introduce myself and he is just baffled that I am driving a cab in addition



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to working my limousine company. He keeps asking me all these questions about my long-term plans with my limousine company and we just talk and talk.

So another five months go by, and of all people, Scott Solombrino, calls me to do some of his overflow business for the second annual KISS 108 radio party. I was standing next to my limousine after the function let out and guess who I see? Brady! He comes right up and is just astounded to run into me again. He jumps into my limo and we pick up right where we left off the last time. That year — in the June 1983 edition of Boston Magazine — John honored me with the city's Best Chauffeur award, and you know what happened to my business? Within two months, it tripled and I purchased four more limousines, and that is what set Commonwealth in motion... just a very happy and influential customer who was impressed with my work ethic, and thought I deserved a break in life.

Ironically, I didn't start out with big aspirations at all. All I really wanted to do was operate four or five cars and have a place where some of my friends could work, and we could enjoy the industry and not get abused on a daily basis. So that's really sort of the essence of my mentality about running a limousine company. However, business demands just kept coming to us, so I just kept adding cars and I never slowed down.

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JON: But actually you did slow down. Once you reached 20 vehicles, you hovered there for quite awhile.

DAWSON: Good catch there, you're right. I had worked ridiculous hours for so long that when I final-



CHAUFFEURS COME UP TO ME AND SAY, "WELL YOU KNOW, I DON'T GET THAT MUCH CASH." I SAY, "WELL, YOU KNOW, YOU'RE NOT DOING THE JOB. BECAUSE THE GUYS WHO ARE ENJOYING THIS OCCUPATION ARE TREATING THEIR CUSTOMERS REALLY WELL AND ARE GETTING HANDED CASH ON TOP OF THE TIP ON THE BILL."

ly got to a point in my business where I was making good money and could do other things in life like play golf, I put the business on autopilot. There was about a five-year stint where I obsessively golfed and even played in tournaments. I got married, had a son, and moved to the country where we were surrounded by a menagerie of homeless animals needing attention (my wife's passion) and where I could tinker in my woodworking shop.

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JON: So what motivated you to take the leap and become a big company?

DAWSON: In 1997, Vince Wolfington of Carey called me to say he wanted to buy Commonwealth. We

negotiated for a few months and he led me to believe my company was worth a certain price, so I agreed to a face-to-face meeting. When their senior team showed up, they presented me with a different buyout offer. Just like so many times when I was cabbie, I felt I was being mocked. I believed they were talking out of both sides of their mouths only because I was some little nobody.

Whether it was a rational thought or not, in my mind, I wasn't being treated with dignity and respect and I was absolutely livid. I left the meeting and said to myself, "Another kick in the teeth. Well, I'll show all of them. I will take this company to the next level. I will grow Boston and open in New York, and I will build a world-class operation and make my millions through blood, sweat, and tears." Don't get me wrong, it would have been much easier to get a good buyout deal, but looking back, I would have ended up with about \$1.5 million to last me the rest of my life, and today

my company nets \$3 million a year. So go figure.

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JON: I'm seeing a theme emerge here, Dawson. Every time someone (or life) dumps on you, you make things happen. You could be the poster boy for the Under Dog.

DAWSON: I suppose you're right. That seems to be the spark that ignites my fuse. We all have our motivators, and I would absolutely agree that I have a "sensitivity chip" that goes into over-drive when I feel like people are looking down their nose at me.

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JON: Let's talk business philosophy for a minute. One of the really interesting things I find about how you

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run your company is that you're not the typical control-freak that is generally in an entrepreneur's DNA. How are you able to surround yourself with such smart people and not have ego issues with that?

DAWSON: I don't like to make the same mistakes twice. I am a control-freak like any other business owner. But, I know better than to try and do it all. Been there, done that. You end up hiring drones and you do all the work, or you suffer from a wildly out of control amount of errors!

You can't make good money without investing in your infrastructure. It's like a football team. A winning team cannot have just one good player running all over the field passing, catching, tackling, and kicking. You need a great coach, a strong quarterback, receivers, etc. And just as important, you have got to have a great game plan. A pro team doesn't go out on the field without a set of plays that they've practiced and practiced and practiced. Great teams don't win without strong support and SMART players. I simply model Commonwealth like that. I manage this company from a macro-level and guide my team to win. I don't want to try and be the entire team. I love being around smart people and I love the ideas and strategies they bring to the table at my company. It doesn't threaten me, it excites me.

I love working in a positive environment, so I instill that by being good to my people. For instance, my company offers their chauffeurs a salary, full medical benefits, a 401K plan, AND paid vacation time. You won't find too many operators at my company's size that can say that. I also bring in consultants for just about everything. Before I could afford to invest in a full time CFO, I outsourced to one. I have a paid

management/business consultant that I hired for a three-month stint who's still with me three years later. I assembled a world-class sales organization with A+ sales professionals from synergistic industries that had proven track records. And, I might add, they are well compensated. I believe you get what you pay for, and I am willing to make the necessary investments. With great sales people, really what it is, is an investment. They should be earning a small percentage of a bigger number that goes to the company. I don't look at them as an expense at all.

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JON: *I understand that compensating employees is a pretty controversial topic in this business.*

DAWSON: Ugh, don't get me started. Yes, sadly it is, and that can

often lead to the demise of an organization. This business is becoming too strategic. You can't throw spaghetti at the wall to see what sticks anymore. You need smart, dedicated, and happy people providing and selling your services if you are going to compete on the service level. And therein lies the huge challenge. You can't keep customers long-term if you don't have great service.

Cutting price is a short-term fix but that lost revenue has to come from somewhere, so what happens? Operators cut internally, which trickles down to affect service, which then impacts the client's happiness. Back on hiring good people, the funny thing about that is, our growth came at the worst time in the history of this industry — post 9/11. We were not mired in debt because we just didn't have the big overheads of other companies, so we were able to scoop up great people that were being squeezed at their respective companies. We could afford to hire chauffeurs at top dollar, so we were able to cherry pick them at a time when there was a glut of them on the market. Our timing to open New York could not have worked out better.

IS CHAUFFEURING JUST A DAY JOB?

DAWSON: In 1998 when we started on our expansion, we realized that it had to be built around our chauffeurs. Being a chauffeur can be a very transitional job — people don't take it seriously. One time, we brought in a consultant to work on chauffeur training. The consultant asked one of the chauffeurs a question and the chauffeur said, "I'm not really a chauffeur, I'm a musician. I just chauffeur when I'm not doing gigs." And the consultant asked, "Well how many hours a week do you work as a chauffeur?"

The chauffeur said, "Oh about 40 or 50." The consultant asked, "Well how many hours a week do you work as a musician?" And the chauffeur replied, "Well I haven't had a gig for about two months." So the consultant said, "Hey buddy, I've got news for you: you're not a musician. You're a chauffeur."

And you know what the funny thing was? That chauffeur had a complete 180-degree turnaround in how he looked at his job. He became much more customer-focused, much more intent on doing a better job, and he started to take it seriously.

We want to hire chauffeurs who understand that if they want, this could be a career for them. That's a good strategy if you want 20% turnover instead of 80%. And it really benefits the whole company and the customers see a much more consistent level of service when you have lower turnover. I think at 20% a year, we have one of the lowest turnover rates in the country.

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JON: *If I were one of your chauffeurs, would I be making a decent living?*

DAWSON: On average, working a 40-to-50 hour week, a Commonwealth chauffeur can make between \$40,000 and \$55,000 a year on his W-2s, plus any cash he gets. A good chauffeur gets a substantial amount of cash. That's another thing — guys come up to me and say, "Well you know, I don't get that much cash." I say, "Well, you know, you're not doing the job. Because the guys who are enjoying this occupation are treating their customers really well and going above and beyond — they're getting handed cash on top of the tip on the bill, on a regular basis. So if you're not making \$10,000 or \$15,000 a year extra in cash, there's something wrong with the way you are doing your job because there are guys out there that are doing it."

I've seen chauffeurs make up to \$20,000 to \$25,000 a year in cash, on top of the \$55,000 W-2s. So, you

know, it's all about what you put into it. And I think that's a lesson I learned in the cab industry. The cab industry was very much like that. The money you made was in direct proportion to how hard you worked and how diligent you were about finding jobs. And the same thing is true in the limousine industry. Guys come in at 7:00 in the morning and

what do they do? Three transfers until 11:00 and there's not another job until 2:00 and they say, "Oh I'm going home." Well the guys that stay until 2:00 are making the 55 plus 20. The guys who leave at 11:00 in the morning are the guys who aren't making that kind of money and are generally dissatisfied with what they

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are doing.

So, we have to coach and mentor chauffeurs in ways to enable them to understand how they can maximize the job. And that has been a big strategy — just trying to make a good place for people to work. We have a 401k, we have company-subsidized health insurance. We have paid vacations. Every employee in

my company down to the car washers gets health insurance, 401k, paid vacations, and I think that's unique. There are a handful of companies that do this but with the IO programs, there's none of that.

The fact is: happy people do a better job than unhappy people. So you try to make your people as happy as you can make them, and

"I THINK IT ALL COMES FROM THE VERY TOP. EVERY COMPANY OWNER SHOULD BE A LEADER AND A MENTOR TO THE PEOPLE BELOW THEM."

give them some amount of self motivation and self empowerment to do what they think is the right job. And then you end up with people who go above and beyond what you would expect from a normal employee.

CREATING HAPPY EMPLOYEES

JON: *What makes them happy?*

DAWSON: I think what makes them happiest is a good work environment. An environment that's friendly, where they enjoy coming to work, and the work is fulfilling to them. How do you feel when you sit in your chair during the day? Is it a grind? Is somebody barking at you all the time? Or is it fun? Do you enjoy talking to customers on the phone? Do you enjoy working with your peers? Do you enjoy your manager? Certainly, compensation is important, too. And we have one of the best compensation packages in the industry. But, I don't think you necessarily hold people with compensation. You hold them with job satisfaction.

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JON: *You talk a lot about training and development. How do you get your managers to develop a mentoring mindset?*

DAWSON: I think it all comes from the very top. Every company owner should be a leader and a mentor to the people below them. And they need to encourage these people to be leaders and mentors to the employees below them. That's how you do it. It starts with the top guy. And the top guy in any organization ultimately dictates the culture of that company. If he's a jerk, the company is going to be filled with people who aren't happy, and who treat

people with disrespect. If the top guy appreciates what his employees do for him and rewards them on a consistent basis, they're going to be happy people. I see this time and time again.

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JON: *So then it would make sense that a customer service ethic would organically flow from happy people delivering good service because they like to do it?*

DAWSON: Exactly. We use that same philosophy to handle mistakes that our employees make. We try and implement a process by which that mistake won't happen again. We look at problems as opportunities. Problems in my business are opportunities to make the company better. I think one of my achievements has been to develop a management team that has assumed so much of the responsibility that I

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used to have as a single entrepreneur running the whole business. That took a long time. I had to hire and train the right people and empower them to not run into my office every five minutes with problems that they were not comfortable solving themselves.

BUILDING A MAJOR BRAND

DAWSON: We've become very intent on branding in the past couple of years. Branding is something that every successful company has got to pay attention to because without branding, you can't grow. I had no

idea what "branding" really meant until I hired a brand manager and we started to get into the development process. Today, our brand is our high quality and consistent reliability across our network. When people become aware of us, we want them to see that we are different. We work at this in all we do and say. Our promotional material is fo-

cused on people, not metal, because it is our people that make the difference for our customers. Our three-ring telephone protocol projects to our customers that we are ready to handle their every need quickly and efficiently, and we aren't going to waste their time.

Our salespeople's approach to our customer is unique to Common-

wealth, too. When people start to see a lot of difference in what you do over what other people are doing, that starts to catch attention. If you are viewed as so-so, that becomes your reputation and stays with your brand. When you are late picking up your customers, that becomes your brand. When your people have bad attitudes, that becomes your brand. Think of the hotel business. The Ritz Carlton certainly conjures up a different image in your mind than Howard Johnson's. It works the same way in this business. Your brand is your reputation. If you want your clients to perceive you in a certain light, you need to speak to that, walk to that, think to that, and look like that, and you need to do all of that with every move you make.

I had a situation happen to me that is one good example of why it



"ONE THING I HAVE STRUGGLED WITH IS MY TEMPER. I AM A LOUD, BOISTEROUS NEW YORKER."

is so important to factor in your brand even when developing sales

and promotional material. We were new to the New York market and not too many hotels had heard of Commonwealth. We sent our presentation material to them in an effort to promote New Year's Eve transportation — to see if they needed extra cars. Six months later we were asked to come in and talk with them about Commonwealth. When we walked in for our meeting that same promotional package was laying on the Head Concierge's desk — six months after the fact! So she says, "If you guys are as good as your presentation material looks, we're very excited to try you out." Three months after getting our first shot at their business, we were awarded the entire St. Regis Hotel account.

It's about print material but it's also about face-to-face presentation

— what's the impression the passenger has of your company when they get into the back seat of one of your vehicles? When they meet the management, when the sales people are out selling, what image are we projecting to the customer in support of our brand? Our people are all part of our image, our reputation, which is our brand, so we pay close attention to that. We strive to build a culture of professionals and one of dedication.

Part of why we bring our national affiliate partners in for our annual affiliate meeting is to help them understand our brand — to get them to buy into our proposition, what kind of a company we want to be. Last year, we had our third annual affiliate partners meeting. We brought in 33 companies from around the U.S. We talked about growth, branding, and leadership; we talked about all the things that we are trying to implement to be-

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come a better business that we want them to emulate. If we can assist them in becoming better businesses, then that makes us more successful. We try to get them to understand who we are and what we're trying to do.

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JON: So your affiliate meetings are training seminars as well?

DAWSON: Absolutely. They are motivational seminars, they're leadership seminars, they're coaching seminars — all to get people to look at their businesses the way we do. And it's absolutely thrilling for me to be up there stumping for Com-

monwealth, and getting people fired up about being on my team. Why? Because I am proud that I built this organization on ethics and integrity, and I am happy that my business culture is set on such a positive tone. We have fun, and that is what I always wanted. That, and to feel respected by my peers. Having traveled this long and winding road, I have come to understand the truth behind the Golden Rule. If you treat people the way you want to be treated, you will get exactly what you want.

*Dawson glances at his watch with an anxious look and abruptly stands up from the table. With that booming voice he thanks me for the interview. After a New York-style slap on the back and a hearty handshake, the clean-cut operator with the Argyle socks is off to do what all successful business owners that have a competent staff running the company do — play golf. **LCT***